

2011

18th Annual Report

**Mehta Securities Ltd.
Ahmedabad**

Board of Directors

Bhavna D. Mehta
Chirag D. Mehta
Upen P. Parekh
Ramnik D. Sojitra

Auditors

Dinesh K. Shah & Co.
Chartered Accountants
Ahmedabad

Bankers

HDFC BANK
INDUSIND BANK

Registered Office

002, Law Garden Apartment,
Scheme-I, Opp. Law Garden,
Ellisbridge, Ahmedabad 380 006.
Phone no. : 079-26565567
E-mail : mehtasec@yahoo.co.in

NOTICE

Notice is hereby given that **18th ANNUAL GENERAL MEETING** of the Members of **MEHTA SECURITIES LIMITED** will be held at 002, Law Garden Apartments, Scheme-1, Opp. Law Garden, Ellisbridge, Ahmedabad-380 006 on Saturday, **30th JUNE, 2012** at **11.00 A.M.** to transact the following business:

ORDINARY BUSINESS:-

1. To receive, consider and adopt the Accounts of the Company for the year ended 31st DECEMBER 2011 and the Balance Sheet as on that date along with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Upen Parikh who retires by rotation in terms of Article 127 of the Articles of Association of the Company and being eligible, offers himself for reappointment.
3. To consider the reappointment of M/s. Dinesh K. Shah & Co., Chartered Accountants (Membership no. # F- 010477), as Auditors of the Company to hold the office until the conclusion of next Annual General Meeting and to fix their remuneration in addition to the reimbursement of out of pocket expenses.

REGISTERED OFFICE :-
002, LAW GARDEN APARTMENT,
SCHEME-I, OPP. LAW GARDEN,
ELLISBRIDGE,
AHMEDABAD-380 006.

FOR AND ON BEHALF OF THE BOARD
OF DIRECTORS

sd/-
(BHAVNA D. MEHTA)
DIRECTOR

DATE: 29/04/2012
PLACE : AHMEDABAD.

NOTES

1. A member entitled to attend and vote at this Annual General Meeting may appoint a proxy to attend and vote on a poll on his behalf. A proxy need not be a member of the company; proxies in order to be effective must be received at the registered office of the company not less than forty-eight hours before this Annual General Meeting.
2. The Register of Member and the Share Transfer Book of the Company will remain closed on 30/06/2012.
3. Member/Proxies should bring copies of Annual Report and attendance slip sent herewith, duly filed in for attending the meeting.
4. Members are requested to notify any change in their address immediately to the Company's Registrar Office **Purva Share Registry India Pvt. Ltd.** Shiv Shakti Industrial Estate, Unit No: 9, Sitaram Mills Compound, J.R.Boricha Marg, Lower Parel, Mumbai-400011.

REGISTERED OFFICE :-
002, LAW GARDEN APARTMENT,
SCHEME-I, OPP. LAW GARDEN,
ELLISBRIDGE,
AHMEDABAD-380 006.

FOR AND ON BEHALF OF THE BOARD
OF DIRECTORS

sd/-
(BHAVNA D. MEHTA)
DIRECTOR

DATE: 29/04/2012
PLACE : AHMEDABAD.

Details of the Directors seeking Appointment / Reappointment in forthcoming Annual General Meeting
(As per Revised clause 49 of Listing Agreement)

Name of the Directors	:	Upen Parekh
Date of Birth	:	15/08/1960
Date of Appointment	:	24/12/1997
Qualification	:	B.Com
Expertise in Specific functional areas	:	Business
List of Public Limited Companies in which Directorships held:	:	NIL
Chairman / Member of the Committees of the Board of Directors of the Company.	:	Audit Committee, Share-holders, Grievances
Shareholding in the company (No. of shares)	:	NIL

DIRECTOR'S REPORT

To,
The Members,
MEHTA SECURITIES LIMITED,
Ahmedabad.

Your Directors have pleasure in presenting the 18th Annual Report of the Company along with Audited Accounts for the year ended 31ST DECEMBER 2011.

1. FINANCIAL RESULTS :

The financial results of the Company for the year ended on 31ST DECEMBER 2011 as compared to the previous year are summarized below :-

	(Rs. In Lacs) 31/12/2011	(Rs. In Lacs) 31/12/2010
Total Income	20481.30	10407.32
Total Expenditure	20566.62	10412.45
Profit/(Loss) before Taxation	(46.98)	(5.13)
Provision for Income Tax	Nil	Nil
Net Profit/Loss After Tax	(46.98)	(5.13)

2. PERFORMANCE AND FUTURE OUTLOOK :

During the year under review, the Company has a gross income of Rs. 20481.3 Lacs.

The Company has during the year under review, provided appropriate amount towards decrease in investments value, which has resulted into Loss of 46.98 lacs. The indian economy shows promise of growth and development in the capital market.

3. DIVIDEND :

In order to conserve resources the Board of Directors do not recommend dividend .

4. DIRECTOR :

One of your Directors viz. Mr. Upen Parekh retires from office by rotation in accordance with the requirement of The Companies Act, 1956. He however, being eligible, offers himself for reappointment.

5. PARTICULARS OF EMPLOYEES :

The Company has no employees of the category specified in Section 217 (2A) of The Companies Act, 1956.

6. PARTICULARS OF CONSERVATION OF ENERGY ETC :

Since the Company is not engaged in any manufacturing activity, the disclosures as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 pertaining to conservation of energy, etc. is not applicable.

7. AUDITORS AND THEIR REPORT :

Auditors M/s. Dinesh K. Shah & Co., Chartered Accountants hold office till the conclusion of ensuing Annual General Meeting and having furnished the required certificate U/s. 224 (1-B) of The Companies Act, 1956 are eligible for reappointment. Board recommends the reappointment and requests the members to fix their remuneration.

8. PUBLIC DEPOSITS :

There was no deposit unclaimed or unpaid by the Company after the date on which it has become due for payment or renewal as on 31st DECEMBER 2011.

9. DIRECTORS' RESPONSIBILITY STATEMENT :

Your Director Confirm:-

- That in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation.
- The application of certain accounting standards by the Directors has lead the company to acquire smooth progress at the end of the financial year ended as on 31st December 2011.

(c) Proper and adequate care taken by the company as per the provision of the company's Act 1956 to safeguard the assets of the company and has prevented the company from financial irregularities.

(d) That the Directors had prepared the Annual Accounts on an ongoing basis.

10. LISTING :

The equity shares of the Company are listed on The Bombay Stock Exchange Limited, Listing fees for the year 2011-12 have been duly paid.

11. CORPORATE GOVERNANCE:

A detailed section on the code of Corporate Governance forms part of the Annual Report.

12. ACKNOWLEDGMENT:

Your Directors take this opportunity to place on record the appreciation of the valuable contribution and dedication shown by the employees of the Company, which have contributed to the successful management of the Company's affairs.

PLACE : AHMEDABAD.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

DATE : 29/04/2012

sd/-

(BHAVNA D. MEHTA)
DIRECTOR

DIRECTOR CERTIFICATION

Director of the Company certifies that :

- a) I have reviewed the financial statements and cash flow statement for the year ended December 31, 2011 and to the best of my knowledge and belief:
 - i) these statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statement together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws & regulations.
- b) To the best of my knowledge and belief, no transaction entered into by the Company during the year ended December 31, 2011 are fraudulent, illegal or violative of the Company's code of conduct.
- c) I accept the responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. I have disclosed to the Auditors and the Audit Committee, deficiencies in the design and operations of such internal controls, if any, of which I am aware and steps have been taken to rectify these deficiencies.
- d) I have indicated to the Auditors and to the Audit Committee:
 - i) Significant changes in the internal control over financial reporting during the year.
 - ii) Significant changes in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 - iii) There is no significant fraud is noticed during the year, however to safeguard the company from such instances, the role of management and employees to be followed has been described to them.

Date : 29/04/2012
Place : Ahmedabad

- Director

MANAGEMENT DISCUSSION AND ANALYSIS

a. Industry Structure and Development :

The capital market intermediary industry is facing severe challenges and consolidation, becoming capital intensive and low margins with low ROC and ROCE. The mechanised trading has reduced substantial revenue opportunities in the market and becoming more commoditized.

b. Opportunities and Threats :

The company has good future looking to the growth of the Indian economy and developing capital markets and is well poised to expand its operations and performance in accordance with its business strategy. The Company is hopeful of the future as India is an emerging and a promising economy for global investors. However, the international threat remains an issue of concern as Western economy is undergoing a challenging phase.

c. Risk Management :

The company is sure to stand strong against all the risks of the market in the following manner; Managing various types of risks is an inherent part of the business of your company. The Company has to face certain risk factors in competitive and Volatile market, but our company is ready to overcome such risks by following means.

(a) Company foresees risks in advance. (b) Company has system and process to face all risks of market. (c) Risk factors are faced with suitable policy. (d) Proper strategy for good progress. (e) Risks are Monitored so as to reduce its effects. (f) The categories of risks to overcome are enumerated below.

d. Credit Risk

The market is very competitive and risky, but the company is well prepared to gain maximum benefits of the customers. The company is committed to provide best service to the customers by applying high standard process to meet the customers obligation. The company has applied latest systems to control and manage risk. The company is constantly watching the macro environment of the financial markets.

e. Segment wise Performance :

The company's activities are divided into two parts i.e. Broking activities and Investments. The company is not carrying out any brokerage activity at present but is likely to be expanded on appropriate opportunities being available.

f. Recent Trend and Future Outlook :

The recession has slowed down and the company is sure to get the benefit of growth of the economy.

g. Risks and Concerns :

The company is not dealing in activities linked to forex and hence do not face the fluctuation in foreign exchange. However, the uncertain non-insurable risks remain there and international global slowdown remains a concern factor for the company.

h. Internal Control Systems and their Adequacy :

The Company has adequate systems of Internal Controls commensurate with its size and operations to ensure orderly and efficient conduct of business. These controls ensure safeguarding of assets, reduction and detection of fraud and error, adequacy and completeness of the accounting records and timely preparation of reliable financial information.

i. Financial Performance with respect to Operational Performance :

The financial performance of the Company for the year 2011 is described in the Directors' Report under the head "Financial Results".

j. Material Developments in Human Resources and Industrial Relations Front :

Certain Employees Development Initiatives implemented by the company have been undertaken which has positive impact on the morale and spirit of the employees. Special attention to human resources / industrial relations development is given by the company. Industrial relations remained cordial throughout the year.

k. Material development in human resource/ industrial relation front, including number of people employed.

There has been no material development on the human resource / industrial relation front during the year. Employee relations at all levels continue to remain cordial. The company had 6 (six) employees as on 31st December 2011.

l. Cautionary Statement :

Statement in this management discussion and analysis report, describing the company's objectives, estimates and expectations may constitute forward-looking statements within the meaning of applicable laws or regulations. Actual results may differ materially from those either expressed or implied.

m. Compliance

Timely submission of various returns and data information to BSE, and NSE and other regulatory bodies and govt of india has been ensured through the compliance department of the your company.

n. Corporate Governance

A detailed report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this report.

PLACE : AHMEDABAD

DATE : 29/04/2012

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

sd/- (BHAVNA D. MEHTA) DIRECTOR

REPORT ON CORPORATE GOVERNANCE

INTRODUCTION :

There is a great impact of strong Corporate Governance for strong and stable partnership with the Investors and stakeholders for their confidence and trust in our company. The detailed report on implementation of Corporate Governance Code as incorporated in revised Clause 49 of the Listing Agreement with the Stock Exchanges is set out below: -

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE :

The company has adopted a policy of strong Corporate Governance to ensure good objectives and to measure and monitor the performance of level transparency & accountability in the functioning of the Company which helps efficient management of Company's affairs and protecting the interests of shareholders, employees, lenders, clients etc. and also emphasis on compliance of statutory laws.

During the year under review, the Company has fully complied with the requirements of revised Clause 49 of the Listing Agreements and also assures to continue its efforts by raising its standards in corporate governance. The systems and procedures are such that will keep pace with the changing economic environments. The detailed report on implementation of Corporate Governance Code as incorporated in revised Clause 49 of the Listing Agreement with the Stock Exchanges is set out below.

2. BOARD OF DIRECTOR :

Composition and Category of Directors:

The composition of the Board of Directors of the Company is in conformity with revised Clause 49 of the Listing Agreement with the Stock Exchange. The present Board of Directors of the Company consists of four members comprising all Non- Executive and three Independent Directors. The Chairman of the Company is a Non-Executive Director. The number of Non-Executive and Independent Directors exceeds one-half of the total number of Directors.

Present Composition and other details of Board of Directors of the Company.

Name of Director	Executive / Non-Executive/ Independent	No of outside directorship(s) (*)	No of Memberships in other Board Committees	Number of Chairmanship(s) in other Board Committees
Chirag D.Mehta	Non-Executive Independent	NIL	4	2
Bhavna D. Mehta,	Chairman Non-Executive	1	4	2
Upen P. Parekh	Non-Executive & Independent	NIL	4	—
Ramnik D. Sojitra	Non-Executive & Independent	NIL	4	—

- Excludes alternate directorships, directorships in private/foreign companies and interest in firms/other bodies.
- Includes memberships of only audit and shareholders' grievances committee.

Meeting of Board of Directors and Board Procedures:

The Board of Directors meets once a quarter to review the performance and Financial Results. A detailed agenda file is sent to all the directors well in time of the Board Meetings. The Chairman / Director briefs the directors at every Board Meeting on overall performance of the Company. All major decisions / approvals are taken at the Meeting of the Board of Directors such as policy formation, business plans, budgets, investment opportunities, statutory Compliance etc.

During the financial year under review, the Board of Directors met 4 times on 31/01/2011, 30/04/2011, 30/07/2011, and 30/10/2011.

Attendance of each Director at the Board Meetings and the Last Annual General Meeting:

Name of Director	Board Meetings attended	Attendance at last AGM
Chirag D. Mehta	4	Present
Bhavna D. Mehta, Chairman	4	Present
Upen P. Parekh	3	Present
Ramnik D. Sojitra	2	Present

3. AUDIT COMMITTEE :

The Audit Committee was originally constituted in 1995. During the year 2001, the terms of reference and scope were revised to meet with the requirements prescribed under the Code of Corporate Governance and the Listing Agreement with the Stock Exchanges.

Broad Terms of Reference

The Audit Committee has been given the powers to deal with matters specified under revised Clause 49 of the Listing Agreement as well as under section 292A of the Companies Act, 1956.

In brief, the terms of reference include :

- Reviewing the Company's financial reporting process and disclosure of financial information, to ensure correctness and credibility.
- Reviewing the financial statements before their submission to the Board for approval;
- Reviewing the adequacy of internal control systems and internal audit functions;
- Reviewing the Internal and Statutory Auditors Reports, discussing any significant findings and reviewing the follow-up thereon;
- Recommending the appointment and removal of Statutory & Internal Auditors and fixation of their fees;
- Reviewing the nature and scope of audit with the Internal and Statutory Auditors and post-audit discussions to ascertain any areas of concern.

The scope of the Audit Committee also covers reviewing the applicability of various Accounting Standards issued by the Institute of Chartered Accountants of India.

Composition, Meeting and Attendance at the Audit Committee Meetings :

The Audit Committee presently comprises three members and all members including the Chairman are Non-Executive and Independent Directors:

1. Chirag D. Mehta Chairman, Independent & Non-Executive Director.
2. Upen P. Parekh Independent & Non-Executive Director.
3. Ramnik D. Sojitra Independent & Non-Executive Director.

All members possess knowledge of corporate finance, accounts and corporate laws.

During the year, the members met four times on 31/01/2011, 30/04/2011, 30/07/2011, and 30/10/2011. The attendances of the members at the meeting is given below :

Name of the Member	Designation	No. of Meetings Attended
Chirag D.Mehta	Chairman	4
Ramnik D. Sojitra	Member	3
Upen P. Parekh	Member	2

The Committee invites the Head of the Finance Department, the President of the Company and the Internal & Statutory Auditors to participate in the meeting.

4. REMUNERATION COMMITTEE :

The Company does not have formal Remuneration Committee. No remuneration is paid to Executive as well as Non-Executive directors and sitting fees is paid to the Directors for attending the Meetings of the Board of Directors or Committee thereof.

5. SHAREHOLDERS/INVESTORS' GRIEVANCES COMMITTEE :

The Board of Directors had constituted a Share Transfer Committee. However, the work relating to share transfer is given to the RTA Purva Share Registry India Pvt. Ltd. for approval of transfer of shares and related matters.

Composition :

The Shareholders / Investors Grievances Committee presently comprises three members and all members including the Chairman are Non-Executive and two of them are Independent Directors:

1. Upen P. Parekh Chairman, Independent & Non-Executive Director.
2. Bhavna D. Mehta Non-Executive Director.
3. Ramnik D. Sojitra Independent & Non-Executive Director.

Mr Pinakin Modi is the Compliance Officer in terms of the Listing Agreement executed by the Company with the stock exchanges and in terms of the SEBI (Prohibition of Insider Trading) Regulations, 2002.

The powers to approve transfer of shares and redress shareholder complaints have also been designated to the RTA PURVA SHARE REGISTRY PVT. LTD. The approval of share transfers is normally done on a weekly basis so that the RTA is able to return share certificates, duly transferred, within fifteen days.

There is no shareholder grievance pending as on date.

6. GENERAL BODY MEETING :

Details of last three Annual General Meetings of the Company are given below:

Financial Year	Date	Time	Venue
2010	30/06/2011	11.00 a.m.	2, Law Garden Apt. Scheme-I, Op. Law Garden, Ellis bridge, Ahmedabad-6.
2009	30/06/2010	11.00 a.m.	2, Law Garden Apt. Scheme-I, Op. Law Garden, Ellis bridge, Ahmedabad-6.
2008	30/06/2009	11.00 a.m.	2, Law Garden Apt. Scheme-I, Op. Law Garden, Ellis bridge, Ahmedabad-6.

Pursuant to the provisions of section 192 A of The Companies Act, 1956, there was no matter required to be dealt by the Company to be passed through postal ballot.

7. RELATED PARTY DISCLOSURES :

- The Company has not entered into any transaction of material nature with the Promoters, the Directors or the Management that may have any potential conflict with the interest of the Company. The Company has no subsidiary.
- There has neither been any non-compliance of any legal provision of applicable law, nor any penalty, stricture imposed by the Stock Exchange/s or SEBI or any other authorities, no other matters related to Capital market during the last three years.

8. MEANS OF COMMUNICATIONS :

- In compliance with the requirements of the Listing Agreement, the Company regularly intimates Unaudited / Audited Financial Results to the Stock Exchange's immediately after they are taken on record by the Board of Directors.
- During the year ended on 31st DECEMBER 2011 no presentations were made to Institutional Investors or analyst or any other enterprise.
- Management Discussion and analysis forms part of the Directors' Report.

9. SHAREHOLDERS' INFORMATION :

- Registered Office :- 2, Law Garden Apartment, Scheme-I, Opp. Law Garden, Ellisbridge, Ahmedabad-6.
- Annual General Meeting :-
Day : Saturday
Date : 30th June 2012.
Time : 11.00 a.m.
Venue : 2, Law Garden Apartment, Scheme-I, Opp. Law Garden, Ellisbridge, Ahmedabad-6.
- Financial Calendar :- Quarterly Unaudited report.
Quarter ended on March 31,2011 : on or before April 30,2011
Quarter ended on June 30,2011 : on or before July 31,2011
Quarter ended on September 30,2011 : on or before October 31,2011
Audited results for year ended on December 31,2011 : on or before June 30,2012
Limited review on quarterly basis : within two months of quarter end
- Book Closure Date :- On 30th June 2012. Saturday.
- Listing of Shares on Stock Exchanges :- The Bombay Stock Exchange.
"P.J. Towers, Dalal Street, Fort, Mumbai – 400 001.
- Stock Exchange Code :- Stock Exchange Code
BSE 511738
- Stock Price Data :- The company shares are traded on Bombay Stock Exchange.
- Registrar and Share Transfer Agents :- Purva Share Registry India Pvt. Ltd.
Shiv Shakti Industrial Estate, Unit No: 9, Sitaram Mills Compound,
J.R.Boricha Marg, Lower Parel, Mumbai-400011.
Ph. : (022) 23016761 / 8261/0711.
- Share Transfer Systems :-
Presently the share transfers, which are received in physical form, by the RTA are processed and the share certificates are returned within a period of 30 days from the receipt, subject to the documents being valid and complete in all respects.

In case of Shares in electronic form, the transfers are processed by NSDL/CDSL through the respective Depository Participants. De-mat requests are normally confirmed within an average period of 30 days.

j) Distribution of Shareholding as on 31st DECEMBER 2011:

Category	No. of Shares Held	% of Share Holding
A Promoter's Holding		
1. Promoters		
- Indian Promoters*	17,25,429	55.85
- Foreign Promoters		
2. Person acting in Concert	43,870	1.42
Sub Total	17,69,299	57.27
B. Non-Promoters Holding		
3. Institutional Investor		
a. Mutual Funds and UTI	-	-
b. Banks, Financial Institutions, Insurance Companies (Central / State Government Institutions / Non Government Institutions)	-	-
c. FIs	-	-
Sub Total	-	-
4. Others		
a. Private Corporate Bodies	1,61,773	5.24
b. Indian Public	10,95,728	35.46
c. NRIs/OCBs	62,600	2.03
d. Any Other (Other directors and their relatives)		
Sub Total	13,20,101	42.72
Grand Total	30,89,400	100.00

Note: Sum of foreign promoters, FIs, NRIs, NRIs/OCBs, Foreign Nationals, and GDR and ADR holding for the quarter 62600 (2.03 % of the paid-up Share Capital).

k) Shareholding Pattern as on 31st DECEMBER 2011

No. of Equity Shares held at nominal value	No. of Share Holders	% of Share Holders	In Rupees	% of Share Holding
Up to 5000	3336	93.97	6571760	21.27
5001 to 10000	145	4.08	1101000	3.56
10001 to 20000	35	0.99	514000	1.66
20001 to 30000	8	0.23	216000	0.70
30001 to 40000	5	0.14	176000	0.57
40001 to 50000	4	0.11	189000	0.61
50001 to 100000	2	0.06	116000	0.38
100001 & Above	15	0.42	22010240	71.25
Grand Total	3550	100.00	30894000	100.00

l) Outstanding GDRs / ADRs / Warrants or any convertible Instruments, Conversion Date and likely impact on equity:

The Company has not issued any GDRs / ADRs.

10. DEMATERIALISATION :

The Company has entered into agreement with NSDL/CDSL for Dematerialization of Shares.

11. ADDRESS & CORRESPONDENCE :

MEHTA SECURITIES LIMITED
2, LAW GARDEN APARTMENT,
SCHEME-I, OPP. LAW GARDEN,
ELLISBRIDGE,
AHMEDABAD-380 006.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

PLACE : AHMEDABAD.
DATE : 29/04//2012

sd/-
(BHAVNA D. MEHTA)
DIRECTOR

CERTIFICATE UNDER CORPORATE GOVERNANCE REPORT

A. Declaration regarding Compliance with the Code of Conduct by Board Members and Senior Management personnel pursuant to Clause 49(1)(D)(ii) of the Listing Agreement :

This is to certify that as per Clause 49 of the Listing Agreement:

1. The Code of Conduct has been laid down for all the Board Members and Senior Management and other employees of the Company.
2. The Board members and Senior Management Personnel have affirmed compliance with the Company's code of conduct as adopted for the year 2011.

Place : Ahmedabad

Date : 29.04.2012

Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Mehta Securities Ltd.

We have examined the compliance of conditions of corporate governance by M/s. MEHTA SECURITIES LTD., for the year ended on 31ST DECEMBER, 2011 as stipulated in Revised clause 49 of the listing agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures implementation thereof, adopted by the Company for ensuring the compliance of conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

The company has complied with all the conditions of corporate governance as mentioned in the above-mentioned listing agreement.

There are independent directors on the Board of Directors of the company as per the requirement of sub-clause (1A) of clause 49 of the Listing Agreement that one-third of the Board should comprise of independent director. Subject to above, in our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with all the conditions of corporate governance as stipulated in the above listing agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the shareholders/investor grievance committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Dinesh K. Shah & Co.
Chartered Accountants

Place : Ahmedabad,

Dated : 16/4/2012

sd/-

Dinesh K. Shah
Partner

Membership # F-010477

Dinesh K. Shah & Co.
CHARTERED ACCOUNTANTS

Head Office: 507, Hemkoot Complex, B/h. LIC Building, Ashram Road, Ahmedabad 380 009
Phone# +91-79-26584450 Telefax# +91-79-66614144 Email: dkshah43@hotmail.com
Branch: Vadodara

AUDITORS' REPORT ON CORPORATE GOVERNANCE

To the Members of Mehta Securities Limited :

We have examined the compliance of conditions of corporate governance by Mehta Securities Limited for the year ended on 31st December 2011 as stipulated in Revised Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Revised clause 49 of the above-mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For DINESH K. SHAH & CO.
Chartered Accountants

sd/-
DINESH K. SHAH
Partner
Membership # 10477

Place : Ahmedabad
Dated : 16/04/2012

Dinesh K. Shah & Co.
CHARTERED ACCOUNTANTS

Head Office: 507, Hemkoot Complex, B/h. LIC Building, Ashram Road, Ahmedabad 380 009
Phone# +91-79-26584450 Telefax# +91-79-66614144 Email: dkshah43@hotmail.com
Branch: Vadodara

AUDITORS' REPORT

To the Shareholders of Mehta Securities Limited

1. We have audited the attached Balance Sheet of Mehta Securities Limited as at December 31, 2011, and also the Profit & Loss Account of the Company for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements, based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub section (4A) of Section 227 of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books;
 - (iii) The Balance Sheet and the Profit & Loss Account dealt with by this report are in agreement with the books of account;
 - (iv) The Balance Sheet and the Profit & Loss Account dealt with by this report, comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the directors as on December 31, 2011 and taken on record by the Board of Directors, we report that none of its directors is disqualified as on December 31, 2011 from being appointed as a director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required, and give a true and fair view:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at December 31, 2011,
 - (b) in the case of the Profit & Loss Account, of the profit for the year ended on that date and
 - (c) in the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

For DINESH K. SHAH & CO.
Chartered Accountants

sd/-
DINESH K. SHAH
Partner
Membership # 10477

Ahmedabad, Dated : 16/04/2012

ANNEXURE TO THE AUDITORS' REPORT

ANNEXURE REFERRED TO IN THE PARAGRAPH 1 OF THE AUDITOR'S REPORT TO THE MEMBERS OF MEHTA SECURITIES LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 2011

1. Fixed Assets

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification.
- (c) None of the Fixed Assets has been revalued during the year.

2. Investments

Investments are stated at cost and any diminution in the value if any, of a long-term nature has been provided for. There are current investments as well as long-term investments as per company's objective and policy.

3. Stock / Investments.

- (a) The stock of shares held as stock in trade has been physically verified during the year by the management at reasonable intervals.
- (b) In our opinion, the procedure of physical verification of stock of shares held as stock in trade followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) No discrepancies were noticed on physical verification of stock of shares as compared to book of records.
- (d) On the basis of our explanation of stock records, in our opinion the valuation of stock of shares has been fair and proper in accordance with the normally accepted accounting principles.

4. Loans and Advances

Loans and Advances in the nature of loans, have not been given to employee and other parties.

5. Loans: (secured & unsecured)

According to the information and explanations given to us, the Company has neither granted nor taken any loan secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, paragraph 4(iii) (b), (c), (d), (f) and (g) of the Order are not applicable.

6. In our opinion and according to information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business, for the purchase of equipments and other fixed assets and for the sale of services. During the course of our audit, no major weakness has been noticed, in the internal control systems.
7. According to the information and explanations given to us, there are no transactions of purchase of goods, materials and sale of goods, materials or services with any companies, firms or other parties listed in the register maintained under section 301 of The Companies Act, 1956 except at market prices and aggregating during the year to Rs. 50,000/- or more in respect of each party.
8. The Company has not accepted fixed deposits from the public and has complied with the directives issued by the Reserve Bank of India and the rules framed there under, wherever applicable.
9. In our opinion, the Company has an adequate internal audit system commensurate with the size of the Company and nature of its business.
10. Maintenance of Cost Records has not been prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 for the products manufactured by the Company.
11. **Statutory & Other Dues :**
 - i. According to the information and explanations given to us and based on the records examined by us, the Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income tax, Service tax, Cess and any other Statutory dues with the appropriate authorities during the year.
 - ii. There are no disputed dues in respect of Service tax, Income tax, Wealth tax, and Cess, which have not been deposited with the relevant authorities.

12. The Provident Fund Act is not applicable to the Company.
13. In relation to the service activities of the Company, there exists a reasonable Internal Control System commensurate with the size of the Company and the nature of its business.
14. In our opinion and on the basis of the information and explanation given to us, the services rendered by the Company do not require any allocation of man-hours.
15. The Company is not Sick Industrial Company within the meaning of clause (o) of Section 3(1) of the Sick Industrial Companies (Special Provisions) Act, 1985.
16. The provisions of any special statute applicable to Chit Funds, Nidhi or Mutual Benefit Society do not apply to the Company.
17. The Company is investing in securities, debentures and other investments. All Shares, Debentures or Other securities have been held by the company in its own name except to the extent of the exemption granted U/s.49 of The Companies Act, 1956.
18. No personal expenses have been charged to revenue account other than those payable under contractual obligations or in accordance with generally accepted business practice.
19. The Company neither has accumulated losses exceeding fifty percent of its net worth at the end of the financial year.
20. Based on the records examined by us and the information and explanations given to us, on an overall basis, the company has not borrowed money from the Financial Institutions.
21. The Company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
22. There are no guarantees given by the Company for loans taken by others from banks and financial institutions.
23. Based on the records examined by us and the information and explanations given to us, on an overall basis, the company has not availed term loan during the year.
24. As per the information and explanations given to us, on an overall basis, funds raised on short term basis have, prima facie, not been used during the year for long term purposes.
25. The Company has not made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
26. The Company has not issued any debentures during the year.
27. The Company has not raised any money by way of public issues during the year.
28. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For DINESH K. SHAH & CO.
Chartered Accountants

sd/-
DINESH K. SHAH
Partner
Membership # 10477

Ahmedabad, Dated: 16/04/2012

MEHTA SECURITIES LTD.

BALANCE SHEET AS AT 31ST DECEMBER 2011

(Rs. in Lacs)

Sr.no	Particulars	Note No.	As at 31.12.2011	As at 31.12.2010
I.	EQUITY AND LIABILITIES			
1	Share holder's Funds			
	a Share Capital	1	308.94	308.94
	b Reserves and Surplus	2	285.06	332.04
	c Money received against share warrants		-	-
	Sub-total Equity and Liabilities		594.00	640.98
2	Share Application money pending allotment		-	-
3	Non- Current Liabilities			
	a Long term Borrowings		-	-
	b Deferred tax Liabilities (Net)		-	-
	c Other Long term Liabilities		-	-
	d Long term Provisions		-	-
	Sub-total Non-Current Liabilities		-	-
4	Current Liabilities			
	a Short term borrowings	3	38.93	47.55
	b Trade Payables	4	581.16	638.81
	c Other Current Liabilities		-	-
	d Short term Provisions	5	0.41	0.28
	Sub-total Current Liabilities		620.50	686.64
	Total Equity and Liabilities		1214.50	1,327.62
II.	ASSETS			
	Non-current assets			
1	a Fixed Assets	6		
	i Tangible Assets		7.93	9.72
	ii Intangible Assets		53.46	59.40
	iii Capital work in progress		-	-
	iv Intangible assets under development		-	-
	b Non- Current investments	7	865.33	276.05
	c Deferred tax assets (Net)		-	-
	d Long-term loans and advances		-	-
	e other Non-Current assets	8	2.80	47.78
	Sub-total Non- Current Assets		929.52	392.95
2	Current Assets			
	a Current Investments	9	229.47	822.02
	b Inventories		-	-
	c Trade receivables	10	53.63	111.03
	d Cash and cash equivalents	11	1.87	1.62
	e Short-term loans and advances		-	-
	f Other current assets		-	-
	Sub-total Current Assets		284.97	934.67
	Total Assets		1214.50	1,327.62

NOTES TO THE ACCOUNTS ANNEXURE-1
AS PER OUR ATTACHED REPORT OF EVEN DATE

sd/-
DINESH K SHAH-PARTNERS
FOR, DINESH K SHAH & CO
CHARTERED ACCOUNTANTS
PLACE : AHMEDABAD
DATE : 16/4/2012

FOR & ON BEHALF OF THE BOARD
MEHTA SECURITIES LTD.

sd/- sd/-
B. D. MEHTA C.D.MEHTA
DIRECTOR DIRECTOR

PLACE : AHMEDABAD
DATE : 16/4/2012

MEHTA SECURITIES LTD.

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST DECEMBER 2011

(Rs. in Lacs)

Particulars	Note ended No.	For the Year ended 31-12-11 (Rs.)	For the Year 31-12-10 (Rs.)
Revenue			
Revenue from Operations	12	20481.30	10352.67
Other Income	13	38.33	54.65
I Total Revenue (I + II)		20519.63	10,407.32
Expenses			
Cost of Sale	14	20541.10	10,366.87
Employee benefits expense	15	10.50	8.08
Finance costs	16	1.48	2.00
Depreciations and amortization Expense		8.12	9.28
Other Expenses	17	5.41	26.22
II Total Expenses		20566.61	10,412.45
III Profit/(Loss) before exceptional items and tax		(46.98)	(5.13)
IV Exceptional items		-	
VI Profit/(Loss) before before tax		(46.98)	(5.13)
IX Tax expenses :			
1) Current Tax			
2) Deferred Tax			
X Profit (loss) for the period from continuing operations		(174.75)	-125.45
XI Profit (loss) for the year		(46.98)	(5.13)
XII Earnings per equity share :			
1) Basic			
2) Diluted			

NOTES TO THE ACCOUNTS ANNEXURE-1
AS PER OUR ATTACHED REPORT OF EVEN DATE

sd/-
DINESH K SHAH-PARTNERS
FOR, DINESH K SHAH & CO
CHARTERED ACCOUNTANTS

PLACE : AHMEDABAD
DATE : 16/4/2012

FOR & ON BEHALF OF THE BOARD
MEHTA SECURITIES LTD.

sd/-
B. D. MEHTA
DIRECTOR

sd/-
C.D.MEHTA
DIRECTOR

PLACE : AHMEDABAD
DATE : 16/4/2012

SCHEDULES A - J FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

(Rs. in Lacs)

Note 1 : SHARE CAPITAL

Particulars	As at 31-12-11 (Rs.)	As at 31-12-10 (Rs.)
<u>AUTHORISED CAPITAL</u>		
3500000 EQUITY SHARES OF Rs. 10/- each	350.00	350.00
<u>ISSUED, SUBSCRIBED & PAID UP CAPITAL</u>		
3089400 EQUITY SHARES OF RS. 10/- EACH FULLY PAID UP	308.94	308.94
	308.94	308.94

a) Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend if any proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended 31 December 2011, the company has not declared any dividend to equity shareholders (31 December 2011: 'Rs Nil).

b) Details of Shares held by each shareholder holding more than 5 % shares :

Class of Shares / Name of Shareholders	As at 31-12-11		As at 31-12-10	
	Number of shares held	% Holding in that class of Shares	Number of shares held	% Holding in that class of Shares
Darshan V Mehta	412126	13.34	412126	13.34
Indira V Mehta	412126	13.34	412126	13.34
Bhavna D Mehta	412126	13.34	412126	13.34

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

c) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period.

	As at 31-12-11	As at 31-12-10
Outstanding at the end of the period	Nil	Nil

d) The company has not issued any bonus shares, or shares for consideration other than cash or bought back equity shares during the year or for the period of five years immediately preceding the date of balance sheet.

Note 2 : RESERVES AND SURPLUS Surplus/ (deficit) in statement of Profit and Loss

Particulars	As at 31-12-11 (Rs.)	As at 31-12-10 (Rs.)
Share Premium	459.81	457.63
General Reserve	-	5.00
Profit & Loss Account	(174.75)	(130.58)
	285.06	332.05

Note 3 : Short Term Borrowing

Particulars	As at 31-12-11 (Rs.)	As at 31-12-10 (Rs.)
Short Term Borrowing from Bank	38.93	47.55
Total	38.93	47.55

Note 4 : TRADE PAYABLE

Particulars	As at 31-12-11 (Rs.)	As at 31-12-10 (Rs.)
Trade Payable	581.16	638.81
Total	581.16	638.81

Note 5: SHORT TERM PROVISION

Particulars	As at 31-12-11 (Rs.)	As at 31-12-10 (Rs.)
Provision	0.41	0.28
Total	0.41	0.28

Note 7 : NON CURRENT INVESTMENTS

Particulars	No of Shares	Face Value	As at 31-12-11 (Rs.)	As at 31-12-10 (Rs.)
Deposit in Stock Exchange			25.05	25.05
Investment in Mutual Funds			91.07	251.00
Long Term Investment			749.21	-
			865.33	276.05

a) The Company has invested in shares of one of the enterprises significantly influenced by key management personnel namely, Sanblue Enterprises Pvt Ltd. The net worth of that company has turned negative. The permanent diminution in value of investment has been reduced earlier. No provision has been made for any possible loss in value of investments, considering the intrinsic value of the business, the nature of investments being of a long term nature and the expected improvement in performance of the investee company.

b) Investments :

No Provision for difference between book value and market value of in value of long term quoted investments in one script has been made since in the opinion of the management such difference is of temporary nature and do not represent a diminution other than temporary.

Note : 8 Other Non Current Assets

Particulars	As at 31-12-11 (Rs.)	As at 31-12-10 (Rs.)
Non Current Assets	2.80	47.78
Total	2.80	47.78

Note : 9 Current Investment

Particulars	As at 31-12-11 (Rs.)	As at 31-12-10 (Rs.)
Short Term Investment	229.47	822.02
Total	229.47	822.02

Note : 10 TRADE RECEIVABLE

Particulars	As at 31-12-11 (Rs.)	As at 31-12-10 (Rs.)
Trade receivable outstanding for a period exceeding six months	53.63	111.03
Total	53.63	111.03

Note : 11 CASH AND BANK BALANCES

Particulars	As at 31-12-11 (Rs.)	As at 31-12-10 (Rs.)
Cash on Hand	1.87	1.62
Total	1.87	1.62

Note : 12 REVENUE FROM OPERATIONS

Particulars	For the Year ended 31-12-11(Rs.)	For the Year ended 31-12-10 (Rs.)
Sale of Investment	20481.30	10352.67
Total	20481.30	10352.67

Note : 13 OTHER INCOME

Particulars	For the Year ended 31-12-11 (Rs.)	For the Year ended 31-12-10 (Rs.)
Interest Income	27.08	45.61
Dividend Received form Long Term Invstmnts	6.37	6.56
Other Income	4.88	2.48
Total	38.33	54.65

Note : 14 Cost of Sale

Particulars	For the Year ended 31-12-11 (Rs.)	For the Year ended 31-12-10 (Rs.)
Cost of Investment	20541.10	10366.87
Total	20541.10	10366.87

Note : 15 EMPLOYEE'S BENEFITS EXPENSES

Particulars	For the Year ended 31-12-11 (Rs.)	For the Year ended 31-12-10 (Rs.)
Salaries and other benefits	10.50	8.08
Total	10.50	8.08

Note : 16 FINANCIAL COSTS

Particulars	For the Year ended 31-12-11 (Rs.)	For the Year ended 31-12-10 (Rs.)
Financial Exp.	1.48	2.00
Total	1.48	2.00

Note : 17 OTHER EXPENES

Particulars	For the Year ended 31-12-11 (Rs.)	For the Year ended 31-12-10 (Rs.)
NSE Exp.	3.85	7.46
Other Exp.	1.56	18.76
Total	5.41	26.22

Note : 18 Disclosure required under section 22 of the Micro, Small & Medium Enterprises development At, 2006. The company has not received information from vendors regarding their status under the micro / small & medium enterprises development Act , 2006, hence disclosure relating to amounts unpaid as at the year end under this Act has not been given.

Note : 19 Related Parties disclosure in accordance with Accounting Standard - 18

a. Key management personnel

1) (Managing Director)

2). (Director)

b.ly influenced by key management personnel or their relatives

1). Pvt Ltd

2).Pvt. Ltd.

Transactions that have taken place during the year January 1st 2011 to December 31, 2012 with related parties by Company.

Enterprises owned or significantly management personnel or their relatives	Nature of Amount Transaction	Amount 2011-2011 (in Rs.)	influenced by key 2010-10 (in Rs.)
Bhavna D. Mehta		3585722	
Chirag D. Mehta		143400	
Mehta Integrated Finance Ltd.		6309932	
Mehta Housing Finance Ltd.		849000	

Note : Related party relationship is as identified by the management & relied upon by the auditors.

Note : 20 EARNING PER SHARE (EPS)

Particulars	As at 31-12-11	As at 31-12-10
a) Weighted average number of shares at the beginning & end of the year.		
b) Net Profit/(Loss) after Tax available for Equity Share holders (In Rs.)	Nil	Nil
c) Basic & Diluted Earnings/(Loss) per shares (In Rs.)		

Note : 21 DEFERRED TAX (LIABILITY) / ASSETS

Taxes on Income : On considerations of prudence differed tax assets have been recognised to the extent of liability of differed tax.

Particulars	As at 31-03-12 (Rs.)	As at 31-03-11 (Rs.)
Deffered Tax Liability on account of		
a) Depreciation difference between I.T &Accounts		
Deffered tax assets on account of		
b) Unsorbed Depreciation and carry forward loss		
Deffered Tax	Nil	Nil

Note - 6 FIXED ASSETS

(Rs. In Lacs)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	OPENING BAL-ANCE AS ON 01-01-11	ADDITION DURING THE YEAR	DEDUCTIONS DURING THE YEAR	CLOSING BAL-ANCE AS ON 31-12-11	OPENING BAL-ANCE AS ON 01-01-11	ADDITION DURING THE YEAR	DEDUCTIONS DURING THE YEAR	CLOSING BAL-ANCE AS ON 31-12-11	AS ON 31-12-11	AS ON 31-12-10
Tangible Assets										
1 OFFICE PREMISES	5.17	-	-	5.17	1.41	0.37	-	1.80	3.37	3.75
2 FURNITURE & FIXTURES	1.59	-	-	1.59	0.95	0.11	-	1.06	0.53	0.64
3 MOTOR BIKES	0.51	-	-	0.51	0.40	0.03	-	0.43	0.08	0.11
4 COMPUTERS	9.05	0.40	-	9.45	7.77	0.64	-	8.41	1.04	1.28
5 MOTOR CAR	10.91	-	-	10.91	6.97	1.02	-	7.99	2.92	3.94
Intangible Assets										
6 LICENSES/FRANCH.	66.00	-	-	66.00	6.60	5.94	-	12.54	53.46	59.40
TOTAL	93.23	0.40	-	93.63	24.12	8.12	-	32.24	61.39	69.12
PREVIOUS YEAR	92.61	0.62	-	93.23	14.83	9.28	-	24.11	69.12	

Cash Flow Statement

Inflow of Cash

Current Liabilities	654.31
Investments	418.62
Current Assets	33.62
Indirect Incomes	0.68
Direct Income	82.26
Total	1189.49

Outflow of Cash

Current Liabilities	514.35
Fixed Assets	0.40
Investments	358.15
Current Assets	291.17
Indirect Expenses	2.46
Administratives Exp.	10.09
Stock Exchange Exp.	4.00
Total	1180.62
Net Inflow	-8.87

FOR & ON BEHALF OF THE BOARD
MEHTA SECURITIES LTD.

DINESH K SHAH-PARTNERS
FOR, DINESH K SHAH & CO
CHARTERED ACCOUNTANTS

PLACE : AHMEDABAD
DATE : 16/4/2012

sd/-
B. D. MEHTA
DIRECTOR

sd/-
C.D.MEHTA
DIRECTOR

PLACE : AHMEDABAD
DATE : 16/4/2012

NOTES ON BALANCE SHEET & PROFIT & LOSS A/C. FOR THE YEAR ENDED 31ST DECEMBER, 2011

I. **SIGNIFICANT ACCOUNTING POLICIES:**

1. **Accounting Convention Basis of accounting :**

The financial statements are prepared under the historical cost convention, on accrual basis of accounting in accordance with the Companies Act, 1956 and in accordance with generally accepted accounting principles (Indian 'GAAP') are in compliance with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI).

2. **Use of Estimates :**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent amount as at the date of financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision to the accounting estimates is recognized in the periods in which the results are known / materialized.

3. The Company's main business is to provide corporate advisory services, investments and Broking. All other activities are incidental to the main business. As such, there are no separate reportable segments, as per Accounting Standard on 'Segment Reporting' (AS 17) issued by the Institute of Chartered Accountants of India.

4. **Income and Expenditure :**

Income and Expenditure are accounted on accrual basis.

5. **Fixed Assets :**

All the fixed assets have been stated at their original cost inclusive of any expenses incurred for the acquisition and / or installation as reduced by any sale / discard and accumulated depreciation.

The company makes an assessment of any indicator that may lead to impairment of assets on an annual basis. As asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value, there is no such assets which is impaired during the year.

6. **Depreciation :**

The Company has provided depreciation at the rate prescribed in Schedule XIV to The Companies Act, 1956.

7. **Investments :**

- a. Long Term investments are carried in the financial statement at cost, less any diminution in value, other than temporary.
- b. Shares, Debentures, Units, Warrants and Securities those are intended, at the time of acquisition, to be held for a period exceeding twelve months are classified as "Investments".
- c. Shares, Debentures, Units, Warrants and Securities are accounted under Investments on trade dates.
- d. Rights entitlements are accounted for as Investments at issue price plus acquisition cost, if any.
- e. Bonus entitlements are recognised on ex-bonus dates without any acquisition cost.
- f. The cost of Investments include brokerage, service tax and stamp duty.

8. **Valuation of Investments :**

(a) Current Investments : Current Investments are carried at lower of cost or quoted/fair value.

(b) Long Term Investments : Quoted Investment are valued at cost or market value whichever is lower. Unquoted Investments are stated at cost. The decline in the value of the unquoted investment, other than temporary, is provided for.

Cost is inclusive of brokerage, fees and duties but excludes securities transaction tax.

9. **Related Party Transactions :**

Parties are considered to be related if at any time during the year, one party has the ability to control the other party or to exercise significant influence over the other party in making financial and/or operating decisions.

10. **Provisions, Contingent Liabilities and Contingent Assets :**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

II. **NOTES TO ACCOUNTS:**

1. On the basis of the information available with the Company, there is no amount due but remaining unpaid as on 31st December 2011 to any suppliers who is a small scale or ancillary industrial undertaking.
2. The requirement of Accounting Standard 22 "Accounting for Taxes on Income" have been considered and the management opinion that no deferred tax assets/liability needs to be created.

As per Accounting Standard 22 issued by The Institute of Chartered Accountants of India during the year, due to the loss the company has not provided taxation in Books of Account including deferred tax liability as the company do not envisage any such liability in near future.

3. In the absence of the taxable income, no provision for taxation has been made U/s.115JB of The Income Tax Act. However, the tax-year end of the Company being 31/03/2011, the ultimate liability for the A.Y.2012-2013 will be determined on the total Income of the Company for the year ended 31/03/2012.
4. Corresponding figures of the previous year have been regrouped or restated to make them comparable with current year figures whenever necessary.
5. Unsecured Loans, Current Liabilities, Loans & Advances, Deposits and Sundry Debtors are subject to confirmation and adjustments, if any.

6. **Auditor's Remuneration :**

	Year ended December 31, 2011	Year ended December 31, 2010
Audit Fees and other professional charges (Excluding of Service Tax)	6000/-	6000/-

7. **Segment Reporting :**

The company is engaged in Investments and advisory services and hence management is of the opinion that it does not have a reportable primary segment identifiable in accordance with the Accounting Standard 17 issued by the Institute of Chartered Accountants of India.

8. **Earning per Share :**

		Year ending 31.12.2011	Year ending 31.12.2010
Net Profit after Tax	Basic	-46.98	-5.31
	Diluted	-46.98	-5.31
Weighted average number of shares outstanding	Basic	3089400	3089400
	Diluted	3089400	3089400
Earnings per share (face value Rs. 10 Per share)	Basic	Nil	Nil
	Diluted	Nil	Nil

9. **Related Party Transactions :**

The Company has identified all the related parties as defined under Accounting Standard 18 "Related Party Disclosure" issued by the Institute of Chartered Accountants of India having transactions during the year, as per details given below. There were no amounts written off or written back from such parties during the year. The related parties included in the various categories above, where no transactions have taken place.

Sr. No.	Relation	Party
1.	Key Management Personnel	1. Chirag D. Mehta 2. Bhavna D. Mehta
2.	Individual / Enterprise over which key management personnel exercise significant influence	NIL

10. Additional information pursuant to the provisions of paragraphs 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956.

a. Production Capacity :	Not Applicable
b. Turnover :	Not Applicable
c. Raw Materials Consumed: (Indigenous Only):	Not Applicable
d. Stock:	Nil
e. Value of Imports calculated on CIF Basis :	Nil
f. Expenditure in Foreign Currency:	Nil
g. Earnings in Foreign Currency:	Nil

11. Additional information as required under Part IV of Schedule VI to the Companies Act, 1956 of India:
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE:

- I. Registration Details :
Registration No. : 22740 State Code: 04
Balance Sheet Date : 31-12-2011
- II. Capital raised during the year (Rs. in thousands)
Public Issue: Nil Rights Issue: Nil
Bonus Issue: Nil Private Placement: Nil
- III. Position of Mobilization and Deployment of Funds (Amt. in Lacs) :

Total Liabilities	594.00	Total Assets	594.00
Sources of Funds:		Application of Funds:	
Paid up Capital	308.94	Investments	1069.75
Reserves & Surplus	285.06	Fixed Assets	61.39
Unsecured Loans		Net Current Assets, Loans & Advances	-537.15

IV. Performance of Company (Amount in Lacs) :

Profit(Loss) Before Tax	(46.98)	Profit After Tax	(46.98)
Earnings per Share	Nil	Dividend (In %)	0.00

- V. Generic Name of Principal Product of Company:
- Stock Broking
- Equity Research.
- Investments.

AS PER OUR ATTACHED REPORT OF EVEN DATE,

For, Dinesh K. Shah & Co.,
Chartered Accountants

For, Mehta Securities Limited

(Dinesh K. Shah)
(Partner)

sd/- sd/-
(C.D.Mehta) (B. D. Mehta)
Director Director

Membership # 10477
Place : Ahmedabad.
Date : 16/04/2012

Place : Ahmedabad.
Date : 16/04/2012

BOOK - POST

To,

If undelivered, please return to :

2, Law Garden Apartment, Scheme - I,
Opp. Law Garden, Ellisbridge,
Ahmedabad - 380 006